



DEPARTMENT OF GAME AND INLAND FISHERIES

REPORT ON AUDIT FOR THE YEAR ENDED JUNE 30, 2016

Auditor of Public Accounts
Martha S. Mavredes, CPA

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AUDIT SUMMARY

Our audit of the Department of Game and Inland Fisheries (DGIF) for the fiscal year ended June 30, 2016, found:

- proper recording and reporting of all transactions, in all material respects, in the Commonwealth's accounting and financial reporting system, the Commonwealth's fixed asset system, and DGIF's internal fixed asset system, except as noted in the finding entitled "Improve Controls Over Financial Reporting;"
- matters involving internal control and its operation necessary to bring to management's attention;
- instances of noncompliance with applicable laws and regulations or other matters that are required to be reported; and
- certain items that were previously reported, for which DGIF has not implemented adequate corrective action.

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AUDIT FINDINGS AND RECOMMENDATIONS

Improve Controls Over Financial Reporting

Type: Internal Control and Compliance

Repeat: Yes

Prior Title: Improve Procedures over Recording and Reviewing Transactions

The Department of Game and Inland Fisheries (DGIF) continues to lack internal controls over its financial recording and reporting process. We discovered significant misstatements in revenue recordation and in an unaudited financial submission to the Department of Accounts (Accounts). These misstatements totaled approximately \$4.07 million. Specifically, these errors include:

- The Accounting Department did not properly record the fiscal year 2016 sale of long held, fully depreciated properties on the capital asset submission to Accounts. This results in an approximate \$1.63 million overstatement of accumulated depreciation and a \$1.08 million overstatement of land. In addition, the Fixed Asset Manager recorded an equipment's acquisition costs in place of equipment accumulated depreciation on the submission overstating equipment accumulated depreciation by \$56,900. The Fixed Asset Manager lacks a good understanding of generally accepted accounting principles, and the Accounting Manager did not perform an adequate review of the information before submission.
- The Accounting Department incorrectly made bond payments totaling \$645,000 using revenue accounts instead of expense accounts. This is a repeat issue as this same transaction, which occurs annually, was included in a prior year finding. This results in an understatement of revenue and expenses. The Accounting Department caused this error due to an overall lack of understanding of generally accepted accounting principles and how to apply them.
- The Accounting Manager did not properly suspend revenues collected during June 2016 during fiscal year-end close procedures, resulting in an approximate \$375,000 overstatement of DGIF revenue. In addition, because of the error, the Accounting Manager was unable to transfer \$268,000 of these revenues from watercraft sales taxes, saltwater fishing license fees, and state forest hunting license fees to the Department of Taxation (Taxation), Virginia Marine Resources Commission (Marine Resources), and the Department of Forestry (Forestry) until July 2017.
- The Accounting Department improperly recorded advance portions of multi-year fishing and hunting license fees as current year revenue instead of a liability. During fiscal year 2016, revenue was overstated and liabilities were understated by approximately \$286,000.

These errors resulted in a misleading picture of DGIF's finances and the Commonwealth's available financial resources.

Accounts' Financial Reporting Directive No. 1-16 from the Office of the Commonwealth's Comptroller states that all information in a submission to Accounts must be reviewed, certified as complete and accurate, and prepared in accordance with generally accepted accounting principles. This guidance also defines current revenue and the need for deferring revenue for future periods in the Commonwealth's accounting system.

DGIF's management should prioritize resources to ensure the Accounting Department gains a better understanding of Commonwealth financial reporting requirements and generally accepted accounting principles. The Accounting Department should correct any misstatements that can be corrected and properly record similar transactions in the future.

Improve Procedures over Entry and Approval of Journal Entries

Type: Internal Control

Repeat: No

DGIF did not have separation of duties between entry and approval of journal entries in the Commonwealth's new accounting and financial reporting system during fiscal year 2016. The Accounting Manager entered, submitted, and approved 45 of DGIF's 131 journal entries, or 34 percent, from February 2016, the beginning of the agency's use of the new system, through June 2016. Of these 45 journal entries, 25 entries, or 56 percent, were correcting journal entries.

The separation of duties concept prohibits the assignment of responsibility to one person for the request, submission, and approval of financial transactions. Ensuring that positions involved in performing departmental financial processes do not have conflicting duties is critical to reducing the risk of errors, misappropriations, and fraud and maintaining a strong financial transaction control environment.

DGIF does not have policies and procedures documenting a reasonable procedure for entering and approving journal entries. In addition, due to the number of corrections needed, the Accounting Manager decided to make the corrections without considering separation of duties to ensure timely reporting before year-end system close. However, timing before year-end system close does not justify why the Accounting Manager regularly entered, submitted, and approved transactions from March through June 2016.

DGIF should create policies and procedures to ensure that all financial transactions adhere to the principle of separation of duties and enforce the procedures to reduce the risk of fraud and errors.

Improve Procedures over Physical Inventory

Type: Internal Control and Compliance

Repeat: Yes

Prior Title: Perform a Physical Inventory at Least Every Two Years

DGIF did not perform a complete physical inventory of its capital assets. The inventory performed did not include land, buildings, infrastructure, and some equipment. In addition, the Fixed Asset Accountant did not fully update DGIF's internal fixed asset system with the results of the inventory. Lastly, the Fixed Asset Accountant did not investigate discrepancies found during the inventory.

The Commonwealth Accounting Policies and Procedures (CAPP) Manual Topic 30505 requires agencies to:

- Perform a physical inventory of agency capital assets every two years;
- Enter all asset transactions into the agency's asset management system timely;
- Approve all adjustments to the asset management system by a responsible person; and
- Research all discrepancies thoroughly and bring the results to management's attention.

The objectives of a physical inventory are to ensure that the capital assets recorded in the internal fixed asset system physically exist; determine if unrecorded or improperly recorded transactions have occurred; and identify any excess, defective, or obsolete assets on hand. An effective inventory results in an accurate accounting of capital assets and indicates the reliability of the system of accountability for the acquisition, use, and disposal of those assets.

The Fixed Asset Accountant is waiting until completion of the next inventory cycle to update the internal fixed asset system. In part, this results from a cumbersome and time-consuming update process in the internal fixed asset system. Therefore, the internal fixed asset system is inaccurate, and when inventory counts cross fiscal years, the amounts included for financial reporting of assets are incorrect. The Fixed Asset Accountant did send emails regarding inventory discrepancies to the assets' responsible parties, but did not continue to follow up until the discrepancy was resolved. Also, the Accounting Manager did not review documentation of inventories performed. Lack of review is contrary to best practices, and review could prevent some of the problems noted. In addition, except for the recommendation to perform a physical inventory every year, DGIF does not have a documented inventory procedure for divisions to follow. A documented procedure for performing physical inventory, including procedures for handling discrepancies, may have given guidance to other staff members to help conduct the inventory while the Fixed Assets Accountant was engaged in duties such as investigation of inventory discrepancies and updating the internal fixed asset system.

The Fixed Asset Accountant should immediately create, document, and follow procedures for performing a physical inventory at DGIF. The Fixed Asset Accountant should also create a schedule for conducting a physical inventory for all of the agency's sections and locations. Management should allocate additional resources when needed to ensure that the Fixed Asset Coordinator is able to adhere to this schedule for timely completion of inventories and enter the resulting updates.

Improve Controls over Contract Procurement and Contract Management

Type: Internal Control and Compliance

Repeat: No

DGIF did not renew one contract timely and did not procure an information technology (IT) contract in compliance with Commonwealth's procurement and contract management policies. Of the two contracts tested for contract management practices, the Procurement Director did not renew one contract until six months into the renewal period. Prior to renewal, DGIF made a payment to the vendor for work performed without a contract in place. In addition, the Director of Planning and Finance entered into an IT contract with a vendor not included on the Virginia Information Technologies Agency (VITA) statewide approved vendor listing for the service provided.

The Commonwealth Agency Procurement and Surplus Property Manual Section 10.13 states that all contract renewals must be fully executed in writing prior to the expiration of the current contract term. In addition, VITA's IT Procurement Manual Section 1.3 states that use of VITA's statewide contracts is mandatory for the acquisition of all IT goods and services.

If contract performance commences prior to signature, there is the risk that performance will include acts outside the scope of the contract. Basic contract law requires offer and acceptance for a contract to be enforceable. If performance begins prior to signature, DGIF has no authority to require specific performance or to refuse to pay for actions outside the contract scope. Costs incurred for contractors working without proper authorization can be determined to be unallowable.

The Director of Planning and Finance believed that the IT services listed for the approved vendor on the VITA statewide contract listing did not include the services they needed, and; therefore, thought it was appropriate to use an outside vendor. DGIF did not confirm this understanding with VITA. In addition, the Procurement Director did not monitor the term of the second contract and overlooked the renewal period.

The Procurement Director should develop an internal timeline for each stage of contract processing and follow up with the contractors to ensure that the contracts are renewed before the start date of the new contract period. In addition, the Director of Planning and Finance should ensure his understanding of IT contract procurement complies with Commonwealth IT procurement policies before finalizing a contract agreement.

Improve Reconciliation Procedures

Type: Internal Control and Compliance

Repeat: Yes

Prior Title: Improve Procedures for Monthly Reconciliation

DGIF did not properly reconcile its internal accounting and financial reporting system to the prior Commonwealth accounting and reporting system and to the current Commonwealth accounting and financial reporting system. While the Accounting Manager certified DGIF's reconciliations to Accounts, the internal reconciliations were incomplete and inaccurate.

- Some prior accounting system balances in the reconciliations examined did not agree to prior accounting system reports. CAPP Manual Topic 20905 states that agencies should copy the system's balances directly from system reports. However, the Accounts Payable Supervisor manually manipulates some of the Commonwealth accounting and financial reporting system data for use in the reconciliation resulting in errors in the amounts recorded on the reconciliation.
- The Revenue Analyst did not include the current accounting system in its revenue reconciliation, only reconciling the agency's internal system and prior accounting system. CAPP Manual Topic 20905 states that agencies should perform a three-way revenue reconciliation between an agency's internal system, the prior Commonwealth system, and the current Commonwealth system through June 2016.
- The Accounts Payable Supervisor improperly performed the expenditure reconciliations at the account level only instead of at the fund, program, and account levels as CAPP Manual Topic 20905 requires. In addition, reconciliations did not include accounts used to record payroll and benefit payments, making them incomplete.
- The Accounting Department did not research and correct identified reconciling items for expenditure or revenue reconciliations. The expenditure reconciliations between the prior and current system for February and June 2016 had total variances of over \$2.3 million. The revenue reconciliation between the internal and prior systems for May had minimal variances. However, if the Accounting Department had investigated the revenue variances, they would have realized that the differences were due to staff keying errors on the reconciliation rather than true variances between the systems.
- The Accounts Payable Supervisor performed the expenditure reconciliations. However, even though the Accounting Manager did not review or sign the reconciliations, the Accounting Manager did certify the completeness and accuracy of DGIF's reconciliations to Accounts. The Accounting Department still does not have procedures that delineate the workflow process between the Accounts Payable Supervisor and the Accounting Manager for performing, reviewing, approving, and certifying reconciliations.

- The Accounting Department certified the year-end revenue reconciliation to Accounts five days late but before the revenue reconciliation approval sign-off five days later.

Monthly reconciliation is crucial to ensure accurate and comprehensive financial reporting because it identifies errors and inconsistencies requiring correction by verifying the accuracy of each account. Without complete and accurate reconciliations, DGIF cannot research, find, and correct errors to ensure that their entries in both the current and prior accounting and financial reporting systems of the Commonwealth accurately reflect the financial operations of the agency.

CAPP Manual Topic 20905 also require that agencies have detailed written procedures for meeting all reconciliation requirements of the Commonwealth's current accounting and financial reporting system. The reconciliation policies and procedures should include creating an itemized listing, by source document number, of the differences between reports/queries from the current or prior accounting and financial reporting system of the Commonwealth and agency records that refer to correcting source document numbers, batch identification numbers or corresponding identification numbers from the Commonwealth's current accounting and financial reporting system, and submission dates.

The Accounting Department should create procedures for reconciliations that are in line with the CAPP Manual and perform and review reconciliations timely and accurately. The Accounts Payable Supervisor and other accounting staff should investigate any variances, correct them if necessary, and document the reconciliation before the Accounting Manager reviews and approves the reconciliation and then certifies the accuracy of the financial information in both the current and prior accounting and financial reporting systems of the Commonwealth.

Improve Procedures over Construction in Progress Recording and Reporting

Type: Internal Control and Compliance

Repeat: Yes

Prior Title: Improve Procedures over Construction in Progress

DGIF is not reconciling its internal Construction in Progress (CIP) spreadsheet to the Commonwealth's fixed asset system quarterly and does not include in its CIP spreadsheet all of the data elements required by Commonwealth policies. We reported this issue in the prior year report, but the Accounting Manager and the Fixed Asset Accountant have not implemented corrective action since that report. In addition, the Fixed Asset Accountant recorded CIP expenses to the incorrect project code and conveyed this error on the agency's Accounts Attachment 14 submission for CIP increases.

CAPP Manual Topic 30310 requires that CIP spreadsheets contain specific data for each transaction at a minimum, and that summary users of the Commonwealth's fixed asset system reconcile their internal CIP spreadsheet to the Commonwealth's fixed asset system Schedule of Changes in CIP report at least quarterly. Accounts' Financial Reporting Directive No. 1-16 from the Office of the Commonwealth's Comptroller states that all information in a submission to Accounts should be

reviewed, certified as complete and accurate, and prepared in accordance with generally accepted accounting principles.

These weaknesses occurred because the Fixed Asset Accountant does not have an understanding of Commonwealth procedures to ensure that sufficient internal documentation is maintained to support changes made to CIP balances; DGIF does not have adequate, documented policies and procedures over CIP processes; and the Accounting Manager is not providing proper oversight over the CIP tracking, reconciliation, and reporting process. Consequently, DGIF is unable to ensure the accuracy and completeness of reported amounts related to CIP.

The Fixed Asset Accountant should gain an understanding of Commonwealth procedures for CIP recording and reporting. In addition, DGIF should develop and implement written policies and procedures over CIP processes that are in line with the Commonwealth procedures. Also, the Accounting Manager should review CIP recording and address any issues prior to reporting.

Improve Procedures Over Monthly Commonwealth Retirement System Reconciliations

Type: Internal Control and Compliance

Repeat: Yes

Prior Title: Conduct Thorough Reconciliations Between HR System and the Commonwealth retirement system

DGIF's Human Resource Department (Human Resources) continued to inadequately review the Contribution Snapshot generated by the Commonwealth's retirement system to ensure that the creditable compensation in the agencies human resource system agrees to the creditable compensation amount in the Commonwealth's retirement system. Furthermore, Human Resources could not find documentation of any fiscal year 2016 Commonwealth retirement system activity.

While a Human Resource Analyst performed some review of employee changes, the Analyst did not document the review; the Human Resources staff did not review creditable compensation due to turnover in the department; and a now retired Human Resource Analyst completed only a cursory review of the automated reconciliations performed by Accounts following certification of the Snapshot. Lastly, the Human Resource Analyst was not able to find any fiscal year 2016 Commonwealth retirement system activity documentation due to office remodeling.

CAPP Manual Topic 50905 requires agencies to reconcile the creditable compensation in their human resource system to the creditable compensation amount in the Commonwealth's retirement system each month before they confirm the Snapshot. In addition, agencies are required to review the automatic reconciliations provided by Accounts following their issuance. These reconciliations are critical to the services provided by the Virginia Retirement System (VRS) for DGIF employees, as insufficient clearance of exceptions identified during the reconciliations may result in errors to members' retirement related data or the agency's improper payment of employee contributions to VRS. The Library of Virginia Records Retention and Disposition Schedule requires agencies to retain documentation of payroll activities including deduction authorizations and registers, leave records,

ledgers and reports, compensation files, retirement contributions, time and attendance records, and time sheets for five years after end of fiscal year.

Despite findings in the prior several years regarding DGIF's process to reconcile the Commonwealth's retirement system information, DGIF has neither allocated resources nor created policies and procedures to ensure an effective review of the accuracy of employees' compensation in the Commonwealth's retirement system.

Human Resources should prioritize gaining an understanding of the Commonwealth's retirement system reconciliation procedures and immediately create policies and procedures to execute these procedures. Human Resources should also ensure they have an understanding of Commonwealth document retention policies and what the responsibilities of document maintenance are in Human Resources.

Perform Adequate Payroll Certification Procedures

Type: Internal Control and Compliance

Repeat: Yes

Prior Title: Conduct Adequate Pre and Post Payroll Certification Procedures

The Payroll Department at DGIF is not adequately performing payroll certification procedures, including pre and post certification activities. While DGIF relies on the Payroll Service Bureau (PSB) to perform its payroll functions, including payroll certification, there are still a number of responsibilities DGIF has in relation to the certification process, some of which they are not performing. Further, DGIF is not maintaining adequate documentation for the certification procedures it is performing. DGIF lacks an understanding of the pre and post payroll certification requirements, including which activities they are responsible for versus which activities PSB performs. DGIF does not understand how to adequately document reconciliations and reviews. Furthermore, DGIF has not developed policies and procedures surrounding certification activities.

CAPP Manual Topic 50815 requires that agencies maintain certification packages until audited. Since DGIF has not retained adequate documentation of the certification activities performed, we are unable to verify compliance with this CAPP Manual requirement. In addition, CAPP Manual Topic 50820 requires a post-certification audit, which includes a reconciliation between the Commonwealth's payroll system and the Commonwealth's accounting and financial reporting system and a review of automatically generated reports. Not performing post-certification activities prevents DGIF from verifying that unauthorized changes were not made to the payroll after certification and before processing, all transactions were processed as intended, and that there are no extraordinarily large or small payments to employees. Further, CAPP Manual Topic 50815 requires agencies to have policies and procedures governing certification activities. The lack of written policies and procedures puts DGIF at risk for inconsistent application or non-performance of adequate certification activities.

DGIF should immediately gain an understanding of Commonwealth payroll certification requirements. Further, DGIF should review PSB's Scope of Services and Expectations for PSB Participating Agencies document to gain an understanding of which activities PSB performs and which

activities DGIF should perform. In addition, DGIF should develop policies and procedures surrounding the payroll certification activities that include information on creating and retaining auditable documentation to support adherence with Commonwealth policies. At a minimum, this documentation should include information on who performed the activity, when the activity was performed, exceptions noted during the activities, and evidence of when and how identified exceptions were cleared.

AGENCY HIGHLIGHTS

DGIF manages Virginia's wildlife and inland fish to maintain optimum populations of all species; provides opportunity for all to enjoy wildlife, inland fish, boating, and other outdoor recreation; promotes safety for persons and property in connection with boating, hunting, and fishing; and provides educational outreach programs and materials to foster an awareness of and appreciation for Virginia's fish and wildlife resources, their habitats, and hunting, fishing, and boating opportunities. DGIF also enforces laws for the protection, propagation, and preservation of wildlife and fish and assists in enforcing all forestry and boating laws.

The table below provides a breakdown of DGIF's revenues and transfers from the General Fund for fiscal year 2016.

Revenues and General Fund Transfers

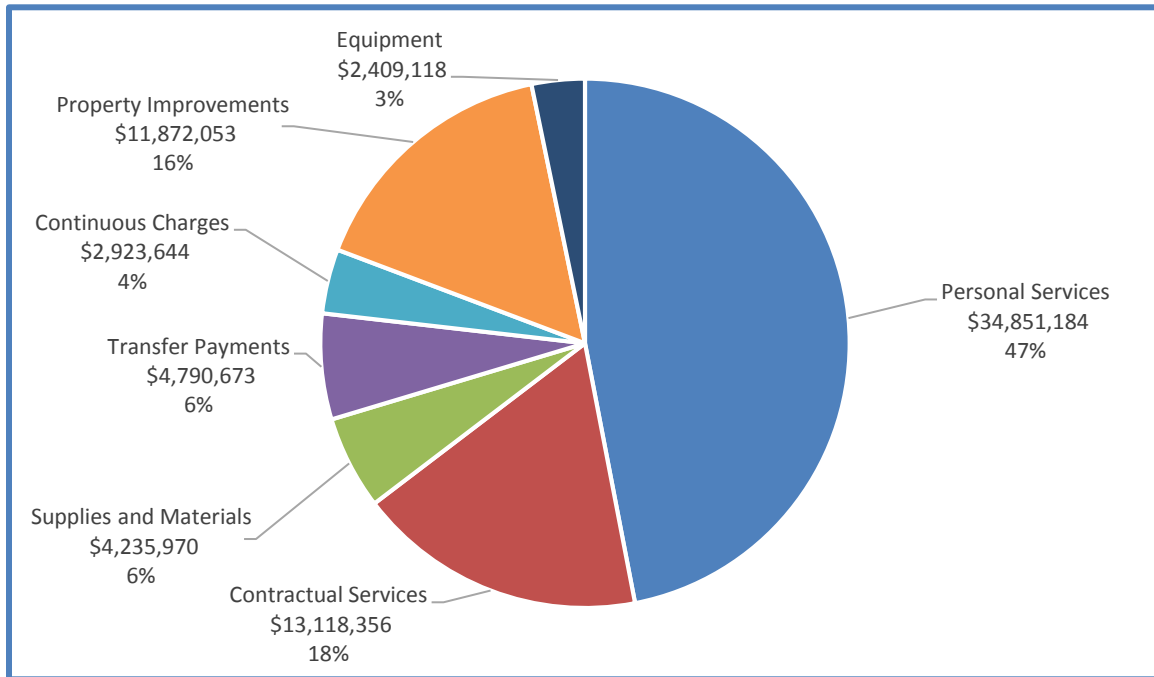
Fiscal Year 2016	
Hunting and Fishing Licenses	\$25,457,129
Federal Grants and Contracts	24,645,919
Net Transfers to the Game Protection Fund from the General Fund	12,700,000
Boat Licenses and Watercraft Titling Fees	3,135,058
Other, including Interest, Timber Sales, Publication Sales, and Donations	8,290,995
Total Revenues and Transfers	\$74,229,101

Source: Commonwealth's accounting and financial reporting system

DGIF receives funding from several sources to pay for their programs, including the sale of hunting and fishing licenses, boat registrations, watercraft sales and use taxes, federal grants and contracts, and voluntary taxpayer contributions to non-game wildlife as designated from their state income tax refund. In addition, DGIF indirectly receives General Fund revenue collections from a portion of the sales and use taxes derived from the sales of hunting and fishing products and the sales of new watercraft, limited to \$8.0 million and \$4.7 million, respectively, for fiscal year 2016. DGIF received the maximum amount from both sales and use taxes in fiscal year 2016 for a total of \$12.7 million. Quarterly, the Comptroller transfers the appropriate amount of collections from these taxes to the Game Protection Fund, which the Commonwealth classifies as a Dedicated Special Revenue Fund. The DGIF Board manages the Game Protection Fund and uses it to pay salaries, allowances, wages, and expenses incidental to carrying out hunting, trapping, and inland fish laws.

The chart below provides a breakdown of DGIF's operating and capital expenses for all funds for fiscal year 2016.

Fiscal Year 2016 Expenses by Type



Source: Commonwealth's accounting and financial reporting system

DGIF collects saltwater fishing license revenue for Marine Resources, state forest hunting license revenues for Forestry, and boat trailer registration fees for the Department of Motor Vehicles. In addition, DGIF collects watercraft sales tax revenue for Taxation. DGIF transfers revenues collected on behalf of these agencies to the applicable agencies in the month following collection.



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

November 13, 2017

The Honorable Terence R. McAuliffe
Governor of Virginia

The Honorable Robert D. Orrock, Sr.
Chairman, Joint Legislative Audit
and Review Commission

We have audited the financial records and operations of the **Department of Game and Inland Fisheries (DGIF)** for the year ended June 30, 2016. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Objectives

Our audit's primary objectives were to evaluate the accuracy of transactions as recorded in the Commonwealth's accounting and financial reporting system, the Commonwealth's fixed asset system, and DGIF's internal fixed asset system; review the adequacy of DGIF's internal controls; test compliance with applicable laws, regulations, contracts, and grant agreements; and review corrective actions of audit findings from prior year reports.

Audit Scope and Methodology

DGIF's management has responsibility for establishing and maintaining internal control and complying with applicable laws, regulations, contracts, and grant agreements. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws, regulations, contracts, and grant agreements.

We gained an understanding of the overall internal controls, both automated and manual, sufficient to plan the audit. We considered significance and risk in determining the nature and extent of our audit procedures. Our review encompassed controls over the following significant cycles, classes of transactions, and account balances.

- Federal grant revenues and expenses
- Contractual services expenses
- Payroll expenses
- Small purchase charge card
- Cash receipting
- Capital assets
- Information system security

We performed audit tests to determine whether DGIF's controls were adequate, had been placed in operation, and were being followed. Our audit also included tests of compliance with provisions of applicable laws, regulations, contracts, and grant agreements. Our audit procedures included inquiries of appropriate personnel, inspection of documents, records, and contracts, and observation of DGIF's operations. We performed analytical procedures, including budgetary and trend analyses. We also tested details of transactions to achieve our objectives.

A nonstatistical sampling approach was used. Our samples were designed to support conclusions about our audit objectives. An appropriate sampling methodology was used to ensure the samples selected were representative of the population and provided sufficient, appropriate evidence. We identified specific attributes for testing each of the samples and when appropriate, we projected our results to the population.

Conclusion

We found that DGIF properly stated, in all material respects, the amounts recorded and reported in the Commonwealth's accounting and financial reporting system, the Commonwealth's fixed asset system, and DGIF's internal fixed asset system, except as noted in the finding entitled "Improve Controls Over Financial Reporting." The financial information presented in this report came directly from the Commonwealth's accounting and financial reporting system.

We noted certain matters involving internal control and its operation and compliance with applicable laws, regulations, contracts, and grant agreements that require management's attention and corrective action. These matters are described in the section entitled "Audit Findings and Recommendations."

DGIF has not taken adequate corrective action with respect to audit findings reported in the prior year that are repeated in this letter. The repeat findings are described in the section entitled "Audit Findings and Recommendations" in the findings entitled "Improve Controls Over Financial Reporting," "Improve Procedures over Physical Inventory," "Improve Reconciliation Procedures," "Improve Procedures over Construction in Progress Recording and Reporting," "Improve Procedures Over Monthly Commonwealth Retirement System Reconciliations," and "Perform Adequate Payroll Certification Procedures."

Exit Conference and Report Distribution

We discussed this report with management on November 21, 2017. Management's response to the findings identified in our audit is included in the section titled "Agency Response." We did not audit management's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of the Governor and General Assembly, management, and the citizens of the Commonwealth of Virginia and is a public record.

AUDITOR OF PUBLIC ACCOUNTS

DBC/clj



Molly J. Ward
Secretary of Natural Resources

COMMONWEALTH of VIRGINIA
Department of Game and Inland Fisheries

Bob Duncan
Executive Director

November 28, 2017

Martha Mavredes
The Auditor of Public Accounts
P. O. Box 1295
Richmond, Virginia 23218

Dear Ms. Mavredes:

Thank you for affording us the opportunity to review the findings and recommendations made during the Auditor of Public Accounts (APA) audit of our financial transactions for fiscal year ending June 30, 2016. The Department of Game and Inland Fisheries (DGIF) agrees with the observations and concurs with the recommendations that have been made by APA in this report.

We believe that DGIF continues to make progress in our corrective actions to fix the issues reported in prior years and appreciate that our progress in these and other areas has been recognized. As has been noted in correspondence and reporting between our two agencies, several new policies, procedures and practices have been implemented, but unfortunately, due to the timing of these processes, many improvements did not take effect until well into FY16 so as to have a positive impact on our operations. Despite this, we take pride in the fact that improvements are taking place and are largely reflective of new talent, new energy, and most importantly a renewed pride in how we manage our financial and other administrative responsibilities. Also as shared previously, DGIF is currently in the process of filling certain vacant positions that will be uniquely charged with further enhancing and complementing our improvements in these administrative functions.

Although a lot of work has gone into making such improvements, DGIF acknowledges that work is still needed to establish consistency with more rigorous financial operations in our department. We look forward to working with your staff to promptly address all recommendations as part of our ongoing Corrective Action Work Plan. I would like to also thank you for the level of support and professionalism your staff showed during the audit, and look forward to this same type of working relationship in the future.

Sincerely,


Robert W. Duncan
Executive Director

CC: Catherine Claiborne, Chair, DGIF Board
DeAnn B. Compton, Audit Director, Capital Asset Management, APA

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Equal Opportunity Employment, Programs and Facilities

DEPARTMENT OF GAME AND INLAND FISHERIES

As of June 30, 2016

BOARD MEMBERS

Charles Cunningham, Chairman

William T. Bolling, Vice-Chairman

Watkins Abbitt	H. S. Caudill
David Bernhardt	Catherine Claiborne
Leon Boyd	Clayton Spruill
Nicole Butterworth	Leon Turner
Mark Winkler	

DIRECTOR

Robert W. Duncan